

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

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SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 AGRE-00 OMB-01

OIC-02 INRE-00 SS-15 NSC-05 SSO-00 NSCE-00 XMB-02

L-03 STR-04 OES-07 /117 W

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O 181621Z JUN 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4380

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USOECD

E.O.11652: N/A

TAGS: ECIN OECD

SUBJECT: OECD MINISTERIAL: FINAL SECRETARIAT VERSION  
OF DRAFT COMMUNIQUE

REF: A. PARIS 18012

B. PARIS 17619

C. PARIS 18011

OECD SECRETARIAT IS ISSUING REDRAFT OF MINISTERIAL COMMUNIQUE TAKING ACCOUNT OF COMMENTS MADE IN FRIDAY HEADS OF DEL MEETING (REF A). THIS REDRAFT IS VERSION WHICH WILL BE PRESENTED TO MINISTERIAL COUNCIL FOR CONSIDERATION. KEY CHANGES FROM EARLIER VERSION (REF B) INCLUDE THE FOLLOWING:

PARA 1 HAS BEEN SHORTENED.

IN PARAGRAPH 2 (DEVELOPMENT COOPERATION), THE FIRST SENTENCE OF THE EARLIER VERSION HAS BEEN DROPPED. THIS  
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CHANGE IS INTENDED TO MEET CONCERN OF DELS WHO FELT EARLIER WORDING ON RE-EXAMINATION OF OBJECTIVES COULD POSSIBLY BE INTERPRETED AS THREATENING TO LDCS. DELS HAD ALSO FELT THAT REFERENCES TO GENERAL TRENDS WERENOT APPROPRIATE IN THIS SECTION. ELIMINATED SENTENCE HAS BEEN REPLACED WITH TWO SENTENCES WHICH HAD APPEARED IN PARA 1 IN EARLIER VERSION.

SECTION ON COMMODITIES (PARAGRAPH 4) DOES NOT INCORPORATE OUR PROPOSED CHANGES (STATE 140462). WOOTTON TELLS US SECRETARIAT HAS RECHECKED CIEC DOCUMENTS AND SEES THEIR LANGUAGE AS ADHERING MORE CLOSELY THAN OURS TO CIEC LANGUAGE. LAST SENTENCE OF THIS PARA HAS BEEN SHORTENED TO DROP REFERENCE TO MANAGEMENT OF INTERDEPENDENCE.

SECTION ON TRADE HAS NUMBER OF MODIFICATIONS. SECRETARIAT HAS INCORPORATED LANGUAGE FROM TRADE COMMITTEE REPORT, IN EFFORT TO GET EC TO DROP POSITION THAT BASICALLY ONLY THAT REPORT SHOULD BE USED. NEW OPENING SENTENCE IN PARAGRAPH 5 IS DRAWN FROM TRADE COMMITTEE REPORT AND IS INTENDED TO SATISFY UK DESIRE FOR REFERENCE TO DIVERGENCIES IN MEMBER COUNTRY SITUATIONS. LAST SENTENCE IN PARA 6 - ALSO DRAWN FROM TRADE COMMITTEE REPORT - CONTAINS REFERENCE TO "STRUCTURAL CHANGES" IN EFFORT TO SATISFY FRENCH ON POINT. SECRETARIAT WISHES TO AVOID SEEING SUCH REFERENCE INCLUDED IN CONNECTION WITH MTN (NEW PARA 8), WHICH FRENCH MAY PRESS. NEW PARA 7 REFERS TO NEED TO "IMPROVE" EXPORT CREDIT CONSENSUS. OLD PARA 7 HAS BEEN ELIMINATED FROM NEW VERSION, SINCE THIS PARA HAS DRAWN SUBSTANTIAL CRITICISM.

US PROPOSAL ON ILLICIT PAYMENTS HAS BEEN ADDED AS NEW PARA 9.

PARAS 10 TO 15 AND 17 ARE THOSE TRANSMITTED IN REF C, LIMITED OFFICIAL USE

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BUT NUMBERING OF PARAGRAPHS MOVE UP A NOTCH (E.G. REF C PARA 11 APPEARS AS PARA 10).

WASHINGTON MAY WISH TO NOTE THAT PARA 16 IS THE SOUTHERN EUROPE LANGUAGE (REF A PARA 8). SECRETARIAT HAD INITIALLY INCLUDED A REFERENCE IN THIS PARA TO RESTRICTIONS ON MIGRATION (REFC PARA 17). HOWEVER TURKISH REP (ITALIAN WAS UNAVAILABLE) FELT SUCH A REFERENCE MIGHT HURT THESE COUNTRIES' CREDIT-WORTHINESS. ASKED TO CHOOSE BETWEEN REFERENCE TO RESTRICTIONS ON MIGRATION OR NO REFERENCE TO RESTRICTIONS AT ALL, HE CHOSE THE LATTER.

TEXT OF REDRAFTED COMMUNIQUE LANGUAGE FOLLOWS:

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#### COUNCIL

DOCUMENTATION FOR MEETING OF COUNCIL AT MINISTERIAL  
LEVEL, 23RD-24TH JUNE, 1977

#### AGENDA ITEM 5

#### DRAFT COMMUNIQUE

1. THE COUNCIL OF THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT MET AT MINISTERIAL LEVEL ON 23RD JUNE, UNDER THE CHAIRMANSHIP OF THE HONORABLE ANDREW PEACOCK, M.P., AUSTRALIAN MINISTER FOR FOREIGN AFFAIRS AND ON 24TH JUNE WITH THE RIGHT HONORABLE PHILLIP LYNCH, M.P., AUSTRALIAN TREASURER, IN THE CHAIR.

#### DEVELOPMENT CO-OPERATION

2. MINISTERS REVIEWED THE RESULTS OF THE CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION AND DISCUSSED LONGER-TERM ASPECTS OF INTERNATIONAL DEVELOPMENT CO-OPERATION.  
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ERATION. MINISTERS THEN ADOPTED THE DECLARATION ON RELATIONS WITH DEVELOPING COUNTRIES ANNEXED TO THIS COMMUNIQUE. THEY REAFFIRMED THE IMPORTANCE OF CLOSE COL-

LABORATION AND STRENGTHENED CO-ORDINATION WITHIN THE OECD TO ASSIST MEMBER GOVERNMENTS TO PREPARE FOR SPECIFIC DISCUSSIONS WITH THE DEVELOPING COUNTRIES IN THE VARIOUS INTERNATIONAL FORA.

#### ENERGY

3. MINISTERS RECOGNIZED THAT AN IMBALANCE BETWEEN WORLD ENERGY SUPPLY AND DEMAND, WHICH COULD OCCUR AS EARLY AS THE 1980S, WOULD HAVE SEVERE ECONOMIC, SOCIAL AND POLITICAL REPERCUSSIONS IN OECD COUNTRIES AND THROUGHOUT THE WORLD. THEY EXPRESSED THEIR DETERMINATION TO AVOID THAT SITUATION BY STRONGER ACTION TO CONSERVE ENERGY AND DEVELOP ALTERNATIVE SOURCES OF ENERGY AND BY INCLUDING SOUND ENERGY POLICIES IN THEIR OVERALL ECONOMIC POLICY.

#### COMMODITIES

4. MINISTERS NOTED THE IMPORTANCE OF CONTINUING DISCUSSIONS ON COMMODITIES AND ENDORSED THE AGREEMENT REACHED IN THE CIEC TO ESTABLISH A COMMON FUND WITH THE SPECIFIC PURPOSES, OBJECTIVES AND OTHER CONSTITUENT ELEMENTS TO BE FURTHER NEGOTIATED IN UNCTAD, AND THE WILLINGNESS DECLARED AT THE CONFERENCE TO MAKE ALL EFFORTS FOR THE SUCCESS OF THE NEGOTIATIONS BEING UNDERTAKEN IN UNCTAD ON COMMODITIES. THEY INVITED THE ORGANIZATION TO CONTINUE ITS WORK IN THE FIELD OF COMMODITIES IN ORDER TO ASSIST MEMBER COUNTRIES IN THESE EFFORTS, AND TO EXAMINE OTHER RELATED ISSUES.

#### TRADE

5. MINISTERS AGREED THAT, WHILE IN SEVERAL RESPECTS THE ECONOMIC SITUATION WAS DIFFERENT FROM THAT WHICH PREVAILED AT THE TIME OF THE ADOPTION OF THE TRADE DECLIMITED OFFICIAL USE

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LARATION IN 1974, IT WAS STILL CHARACTERIZED BY EXCEPTIONAL DIFFICULTIES AND DIVERGENCIES IN MEMBER COUNTRIES' SITUATIONS. THEY NOTED WITH CONCERN THAT PERSISTENT HIGH LEVELS OF UNEMPLOYMENT AND DIFFICULTIES IN CERTAIN SECTORS HAVE INCREASED PROTECTIONIST PRESSURES. MINISTERS EMPHASIZED THAT RECOURSE TO PROTECTIONIST POLICIES WOULD FOSTER UNEMPLOYMENT, INCREASE INFLATION AND REDUCE ECONOMIC WELFARE. THEY AGREED THAT THE PRESENT ECONOMIC SITUATION TOGETHER WITH THE INCREASING INTERDEPENDENCE OF OECD ECONOMIES REINFORCED THE NEED FOR A CONTINUING POLITICAL COMMITMENT TO AVOID RESTRICTIVE UNILATERAL TRADE AND CURRENT ACCOUNT MEASURES AND THE ARTIFICIAL STIMULATION OF EXPORTS; MEASURES OF THIS KIND TENDED TO CARRY THE RISK OF PROLIFERATION WITH SELF-DEFEATING IMPLICATIONS. THEY ALSO AGREED

THAT SUCH A COMMITMENT AND RELATED DISCIPLINES WERE AN IMPORTANT ELEMENT OF THE STRATEGY FOR SUSTAINED NON-INFLATIONARY ECONOMIC GROWTH IN THE OECD AREA.

6. MEMBER GOVERNMENTS THEREFORE DECIDED TO RENEW, FOR A FURTHER YEAR, THEIR TRADE DECLARATION OF 30TH MAY, 1974. THEY AGREED THAT FULL USE SHOULD BE MADE OF THE EXISTING POSSIBILITIES FOR CONSULTATION IN ORDER TO FIND AND IMPLEMENT MULTILATERALLY ACCEPTABLE SOLUTIONS TO TRADE PROBLEMS IN A MANNER WHICH WOULD TAKE INTO ACCOUNT THE INTERESTS OF ALL CONCERNED; EVERY EFFORT SHOULD BE MADE IN PARTICULAR TO IDENTIFY AND CONSULT ON SECTORAL PROBLEMS BEFORE THEY ASSUMED CRITICAL PROPORTIONS.

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TIONS TAKING INTO CONSIDERATION, INTER ALIA, STRUCTURAL CHANGES IN THE WORLD ECONOMY.

7. MINISTERS WELCOMED THE PROGRESS ACHIEVED IN MULTILATERAL CO-OPERATION CONCERNING EXPORT CREDITS AND UNDERLINED THE NEED FOR FURTHER EFFORTS TO IMPROVE AND EXTEND THE CONSENSUS ON GUIDELINES FOR THE EXTENSION OF OFFICIALLY SUPPORTED EXPORT CREDITS.

8. MINISTERS REAFFIRMED THAT IT WAS ESSENTIAL TO MAINTAIN

TAIN AN OPEN AND MULTILATERAL TRADING SYSTEM AS A BASIC ELEMENT IN THE OVERALL APPROACH TO THE ECONOMIC PROBLEMS WITH WHICH THEIR COUNTRIES WERE CONFRONTED AND STRESSED THE IMPORTANCE OF GIVING IMPETUS TO THE MULTILATERAL TRADE NEGOTIATIONS WITH THE OBJECTIVE OF MAKING SUBSTANTIVE PROGRESS IN KEY AREAS IN 1977, AND ACHIEVING AGREEMENT OVER THE RANGE OF ISSUES AS RAPIDLY AS POSSIBLE.

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9. RECALLING THE DECLARATION AND THE DECISIONS OF OECD MEMBER GOVERNMENTS OF 21ST JUNE, 1976 ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES, AND NOTING THE EXPERIENCE GAINED IN THEIR IMPLEMENTATION, MINISTERS WELCOMED THE WORK BEING DONE IN THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL ON CORRUPT PRACTICES IN INTERNATIONAL COMMERCIAL TRANSACTIONS, AND EXPRESSED THE HOPE THAT THE ECONOMIC AND SOCIAL COUNCIL WOULD TAKE THE MEASURES NECESSARY TO FACILITATE NEGOTIATION IN 1978 OF AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS.

(AS EXPLAINED ABOVE PARAS 10 TO 15 AND 17 ARE THOSE TRANSMITTED IN REFCAS PARAS 11 TO 16 AND 18.)

16. MINISTERS NOTED THAT PRESENT CONJUNCTURAL DIFFICULTIES ARE EXACERBATING LONGER-RUN STRUCTURAL AND DEVELOPMENT PROBLEMS, AS WELL AS THE EMPLOYMENT AND BALANCE OF PAYMENTS DIFFICULTIES, OF SOME MEMBER COUNTRIES. MINISTERS THEREFORE AGREED THAT THE COMPETENT BODIES OF THE ORGANIZATION DEALING WITH THE VARIOUS ASPECTS OF THESE PROBLEMS SHOULD, IN A POSITIVE AND COORDINATED WAY, PAY SPECIAL ATTENTION TO THE DIFFICULTIES OF THESE COUNTRIES.

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## Message Attributes

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